From:	Nicholson, Laura 6-9190
Sent:	Tuesday, September 04, 2018 12:04 PM
To:	Harmon, Amy 6-8713
Subject:	FW: QAP Comments

Please post these 2019 QAP Comments to the web. Thanks,

SC HOUSING
Financing Housing Building SC

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From: Chris Rrecord [mailto:crecord@phoenixmidwest.com]
Sent: Tuesday, September 4, 2018 11:46 AM
To: Nicholson, Laura 6-9190
Subject: QAP Comments

1)   **Two-Tier Application Process:** I agree with the comments at the Roundtable about going back to the Two-Tier system. It can save the developer a lot of money to find out early that the site score may not be competitive enough;

2)   **SC Experience Point:** The one point for SC experience can be an item that prevents a new (to SC) developer from being able to be awarded. I heard some of the lower State Non-Profits comment on this barrier as well. I know it has been suggested that new developers JV with established developers. The problem with a JV is that the established developers that put in multiple deals don't want to JV because the entire request can count towards their total request, even if they only have 1% of the deal.

I'm thinking maybe there can be a program that could be something like a mentoring scenario letting established developers help new (SC) developers without an impact on them. I know this can be a sticky deal. You don't want a situation that creates a way for developers to "sell" their name to a bunch of developments just to make money (and possibly having no real control or offering real guidance to the developer). A program could be structured to prevent this. My feelings, and one also suggested to me by an established SC developer, would be to limit developers to only being able to offer this help on one deal each year.

Different developers could be motivated by different reasons to participate. There are several developers that are also General Contractors willing to do 3rd Party work. I know we would be willing to hire the developer that was our sponsor to build a development for us. For those developers, if they were the General Contractor, and they would be allowed to supply the local experience point, it could be helpful to both new (SC) developers working to get established in SC as well as offering a substantial benefit to the sponsoring developer's construction company. For the Agency, it would be reassuring that local experience is a part of the development.

3)   My other comments have already been mentioned by others.

Just my two cents worth.

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